

VIP evaluation

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Intent of VIP legislation

“allow opportunities for eligible workers to
participate in meaningful retraining in high
demand occupations,
improve successful return to work outcomes and
achieve positive outcomes for workers,
reduce the incidence of repeat vocational
services,
increase accountability and responsibility,
and improve cost predictability.”

Elements of VIP

- Increase in training benefits and time limits
- Option 2 for self-directed retraining
- Increased marketing of on-the-job opportunities
- Increased accountability for all parties, principally in the form of time limits
- Return to work plans for high demand occupations
- Placement of L&I staff in WorkSource locations

Study directed to analyze

- Percent of workers completing retraining plans
- Percent of workers retrained in high demand occupations
- Reduced unproductive retraining
- Reduced repeat attempts at plan development
- Partnership with WorkSource to increase return-to-work

Vocational Rehabilitation Subcommittee

- Created to continue business/labor partnership
- Develops rules, policies, communications
- Selected independent researchers
- Selection of internal measures to track success of VIP
- Recommend statutory changes needed to accomplish goals

2011 legislation

- Clarified some elements of VIP
- Allowed more flexibility of time limits
- Clarified option 2 conditions

Unforeseen circumstances

- VIP was implemented in 2008
- Most retraining plans were now from 18 months to 2 years – the first ones completing in 2009
- Just when the US economy was experiencing the greatest downturn in jobs since the great recession.
- Research tried to control for impact of Great Recession, but since it was an unprecedented event, the impact is very hard to gauge.

Main impacts of great recession on outcomes

- Ability to return to work much lower
- The identification of high demand jobs based on historical data likely to be faulty
- On-the-job training may be harder to find
- Increased demand for retraining by unemployed

Unsuccessful elements of VIP

- On the job training opportunities fell from about 10% in the baseline to 3% under VIP. Although the OJT that did take place was associated with very strong employment outcomes.
- Reserve slots at community colleges in high demand programs

Key Findings

- Efficiency increased through a number of avenues
- Workers had increased choice
- Plan completion rates and return to work rates did not improve

VIP outcomes:

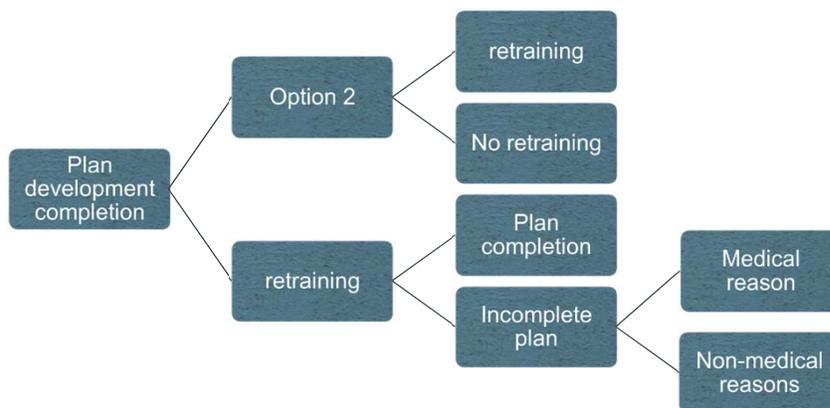
Program Component	Measure	Effect
Return to work	RTW for plan completers (VIP vs pre)	same
	RTW for all plans (VIP vs pre)	worse
Longer plans	RTW for longer plans (>1 yr vs. < 1 yr)	same
	Mean RTW wage for longer plans	same
On the Job Training	RTW for formal retraining vs. OJT	worse
Labor market demand	RTW for high demand jobs	same
WorkSource	RTW for WorkSource EI vs. private VRCs	better
	RTW for WorkSource AWA vs. private VRCs	same

Efficiency

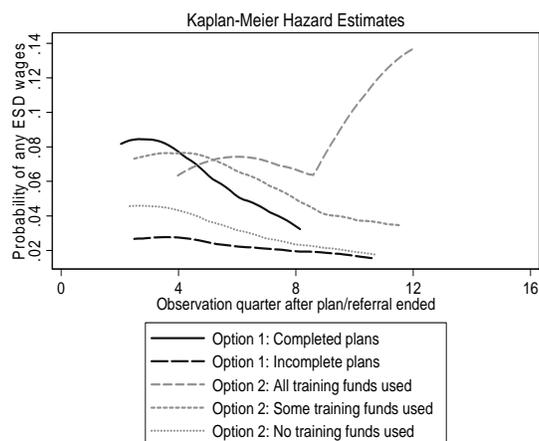
Program Component	Measure	Effect
Plan completion rate	Percent Plans complete	same
Efficiency	Repeat PD referrals	better
	Time for plan submission	better
	Time for plan approval	better
	Time for plan development referral to retraining	better
	Time from plan completion to claim closure	better

Study Detail

Study groups



Employment outcome by option choice and retraining fund use



Employment outcomes observations:

- Option 1 workers with incomplete plans had consistently the worst employment outcomes
- Option 2 with no retraining funds used did better than those with option 1 and incomplete plans
- Option 1 with complete plans and option 2 with some retraining used had similar patterns.
- Option 2 with all retraining funds used had a large jump in return to work probability two years after their claim ended – possibly coinciding with the end of retraining.

Pre-post VIP employment/wage outcomes

	Timely RTW (any wage in qtr referral ended)	Sustained RTW (any wage level)	Sustained RTW (at or above pre- injury wage)	Ever RTW (first occurrence of any wage)
VIP (completed plans)	0.88	0.82	0.56*	0.94
VIP all plans, not option 2	0.59*	0.59*	0.41*	0.67*
VIP all plans and option 2	0.43*	0.64*	0.54*	0.65*

*statistically significant at $p \leq .05$

Roughly speaking, a number below 1 means a lower likelihood of the RTW measure for VIP workers relative to workers in the baseline. The model was adjusted for a number of factors including the economy.

Earnings

- The study compared earnings of plan completers under VIP to plan completers pre-VIP.
- Wage categories
 - Any wages
 - Full-time minimum wage
 - 50% pre-injury wage
 - 75% pre-injury wage
 - 100% pre-injury wage

Wage outcomes:

Wage Category	baseline	VIP
Any wage	45%	39%
Full-time minimum wage	33%	22%
50% pre-injury wage	37%	25%
75% pre-injury wage	32%	20%
100% pre-injury wage	24%	14%

Evaluated 8th quarter past plan completion

Employment Outcomes - summary

- Overall employment rates did not increase, although those using option 2 retraining funds looked promising.
- Wage replacement under VIP has so far been less than the baseline.

Option 2

- For 15 days after a retraining plan has been approved, a worker can choose to opt out of formal retraining. A worker who chooses option 2 receives a vocational award equal to six months of time-loss and has access to training funds for self-directed training for up to five years. The claim is closed.

Option 2 costs

- Claim costs for those choosing option 2 are about \$47,000 less than for those choosing option 1. This is likely due to:
 - The difference in time-loss paid (about 460 days)
 - Reduced average retraining costs, not all option 2 workers choose to retrain
 - Lower costs for vocational counselor services

Option 2 continued

- About 2,000 workers chose option 2 from Jan 08 – Jun-11 (about 27% of those with approved plans)
- About 18% of these workers had begun to use their retraining funds

Option 2 – use of retraining funds

Sample	Sample	No use	Partial	Full
All option 2 workers with option 2 funds reserved	1,461	84%	15%	1%
Claims closed on or before Dec '11	1,376	83%	16%	1%
Claims closed at least 3 years prior to Dec '11	240	79%	18%	3%

- About 80% of those who chose option 2 did not use retraining funds.
- There appears to be some development over time, but most who are going to use retraining money due so within 6 months of claim closure.

Administrative data

Option 2 – use of retraining funds

Response Category	Percent
Already using option 2 retraining funds	20.5%
Plans to use funds within 6 months	15.4%
Plans to use funds within 6-12 months	14.3%
Plans to use funds eventually	13.6%
Unsure if or when will use funds	26.5%
Does not plan to use retraining funds	9.7%

- Injured workers had higher intension of using funds than actual use.

Survey B (N = 115)

Wage outcomes – Option 2:

Wage Category	Option 2 – no training funds used	Option 2 – training funds used
Any wage	18%	37%
Full-time minimum wage	9%	21%
50% pre-injury wage	13%	26%
75% pre-injury wage	10%	17%
100% pre-injury wage	8%	13%

Evaluated 8th quarter past plan completion

Note that those workers who chose option 2 might still be involved in retraining the 8th quarter after their plan referral ended.

Which option 2 workers used their funds?

- Younger workers
- English speakers
- Workers with some college education

Option 2 - summary

- High, consistent percentage of those with an approved plan choose option 2.
- A lower percentage of option 2 workers use retraining funds than thought they would use retraining funds.
- Overall, wage outcomes for option 2 workers with some use of retraining funds are similar to option 1 plan completers – option 2 wages likely to develop further.

Survey results

- Survey A – 361 workers were interviewed in the fall of 2009 after they were referred for plan development.
- Survey B – 360 different workers were interviewed between the fall of 2009 and 2010 about 3-6 months after claim closure.

Survey A

- 69% were though worker's compensation system at least "somewhat" effective.
- 69% were at least "somewhat" satisfied with voc system.
 - Self-insured – 58% somewhat satisfied
 - State-fund – 71% somewhat satisfied
- Negative responses *significantly* associated with
 - More time having passed since injury
 - Previous plan development referral
 - Interviewed in non-native language
 - Poor health or functional ability

Survey A Cont.

- Workers just starting plan development were
 - More satisfied than those interviewed after services had ended.
 - Were overly optimistic about return to work prospects
- Option 2 workers
 - Less likely to be satisfied with VRC or claims manager
 - Less likely to think voc services were appropriate
- Little difference between option 1 and option 2 workers regarding whether they would make a different option choice if they had the opportunity.

Most frequently suggested improvements:

- There be more training choices, more worker input into the retraining goal, and a better fit of retraining goal and worker skills and experience.
- Service providers listen to, respect, and understand the worker.
- L&I provide more support with job placement, work re-entry skills, and RTW in general.

Certainty regarding future ability to work once retraining completed.

- Survey A
 - Very or somewhat certain 55%
 - Neutral 11%
 - Uncertain 34%
- Survey B - work status 3-6 months after claim closure
 - RTW, worked in past 4 weeks 17%
 - RTW, but not in past 4 weeks 4%
 - Never RTW 79%

Satisfaction with RTW

	Option 1	Option 2
Satisfied with work status	21%	23%
WorkSource had positive effect on RTW	36%	50%
Vocational Plan had positive effect on RTW	46%	38%
VRC had positive effect on RTW	50%	45%
Claim manager had positive effect on RTW*	43%	25%
Voc services were appropriate*	65%	52%

*option 1/option 2 difference was statistically significant.

Use of acquired skills

- The study did not determine if the worker found a job in the occupation for which they were trained.
- 85% of those who completed a plan did say that the training was useful.

Survey - summary

- Most injured workers are, at least, somewhat satisfied with voc services.
- The longer someone is in the system, the more dissatisfied they become.
- Little difference between option choices in desire to have made a different choice
- Over-optimism on return to work

Efficiency Gains – repeat referrals

- Repeat referrals
 - Self-insured had fewer repeat referrals under VIP than did the state-fund
 - State-fund
 - 35% decline in plan development repeat referrals
 - 43% decline in plan implementation repeat referrals

Efficiency gains – plans submitted

- Plans Submitted
 - State fund – 60% of first time plan development referrals led to plan submission compared to 38% baseline.
 - Self-insured, 68% of first time plan development referrals led to plan submission under VIP.
 - Lower plan development duration appears to have been driven by 90 day requirement

Slightly lower completion rate of retraining plans

- State fund – 56% of plans were completed under VIP, 59% of baseline.
- Self-insured - 55% of plans were completed under VIP.
- Plan length did not appear linked to completion rates.

More completed plans led to claim closure.

- State-fund - 74% of completed plans led to claim closure under VIP, compared to 55% in the baseline.
- Self-insured, 49% of self-insured completed plans led to claim closure under VIP.

Incomplete plan outcomes – not included in the UW study

- Under VIP more workers attained sufficient skills under incomplete plans to make them employable.
- A higher proportion of workers with incomplete plans now move to claim closure. Currently about 30% of failed plans lead to claim closure, prior to VIP less than 12% of failed plans led to closure.

Efficiencies Summary

- Fewer repeat referrals
- More plans approved the first time
- Plan completion more likely to lead to claim closure
- Incomplete plans more likely to provide sufficient skills for employability
- But, slightly lower plan completion rate

WorkSource Partnerships

- WorkSource is a partnership of government agencies, colleges, and non-profit organizations and offer employment and training services to job seekers.
- The Dept. determined which injured workers would receive services at a Worksource center.
- Injured workers who went to WorkSource centers had lower average duration and better return to work outcomes.
- It is hopeful that better outcomes are due to services available, although it could also be due to the selection criteria used by the Dept.

Hopeful Future Avenues

- WorkSource collaboration
- On the Job Training
- Option 2 with retraining

Challenges

- Finding appropriate retraining opportunities
- Enabling injured workers to complete retraining successfully
- Improving return to work for all groups